

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, APRIL 21, 2023

2023 APR 21 A 11:01
CLERK'S OFFICE
GENERAL CONTROL CENTER

APPLICATION OF

ROANOKE GAS COMPANY

2023 APR 21 A 11:01
CASE NO. PUR-2023-00056

For approval of a SAVE Plan and to
implement a Projected Factor Rate and
True-Up Factor Rate

ORDER FOR NOTICE AND COMMENT

On March 31, 2023, pursuant to Code § 56-603 *et seq.*, the Steps to Advance Virginia's Energy ("SAVE") Plan Act, Roanoke Gas Company ("Roanoke Gas" or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") for approval of a SAVE Plan and to implement a Projected Factor Rate and a True-Up Factor Rate (together, "SAVE Rider Rate"). The Company requests approval of its proposed five-year SAVE Plan beginning October 1, 2023, through September 30, 2028 ("2024 SAVE Plan") and to implement a SAVE Rider Rate beginning on October 1, 2023, through September 30, 2024.¹

The Company states that over the course of the approved 2012 SAVE Plan, substantial progress was made on approved replacement projects.² However, the Company states it has not completed all of the approved projects and is requesting to include the uncompleted projects in the 2024 SAVE Plan.³ These projects include the following, that were approved in connection with the 2012 SAVE Plan:⁴

¹ Application at 2-3; Direct Testimony of Niklas E. Banka ("Banka Direct") at 11-12.

² Application at 3.

³ *Id.*

⁴ *Id.* at 3-4; Direct Testimony of C. James Shockley ("Shockley Direct") at 6.

- (i) First generation plastic mains and services;
- (ii) Steel coated tubing services;
- (iii) Pre-1973 coated steel mains and services;
- (iv) Associated meter bar and regulator installations for renewed services; and
- (v) Eleven regulator stations.

Additionally, the Company is proposing to include the following additional programs that have not been previously approved by the Commission:⁵

- (i) Unlocatable mains and services;
- (ii) Two additional gate stations;
- (iii) Electrically-shortened steel-cased crossings;
- (iv) Transmission main valves on the Company's Gala Transmission main; and
- (v) Advanced leak detection techniques.

The Company anticipates spending approximately \$49.5 million over the five years in the 2024 SAVE Plan.⁶ Additionally, the Company is requesting authority to vary its annual spending up to 10% each year and the flexibility to vary its cumulative spending over the course of the 2024 SAVE Plan by up to 5% from the amounts authorized in this proceeding.⁷ The Company notes that such variances are consistent with those approved by the Commission for other gas utility SAVE plans.⁸

⁵ Application at 4; Shockley Direct at 9-12.

⁶ Application at 3.

⁷ *Id.*

⁸ *Id.* at 3.

The Company states that the Projected Factor is designed to recover the costs of eligible infrastructure replacement projects that will occur during the period of October 1, 2023, through September 30, 2024.⁹ The 2024 Projected Factor revenue requirement is \$366,106, which the Company states is calculated using the same methodology approved in the 2012 SAVE Plan and subsequent amendments.¹⁰ The Company states that the True-up Factor is a reconciliation of the costs of the actual SAVE replacement projects and revenues collected during certain prior periods.¹¹ The proposed 2024 True-Up Factor revenue requirement is (\$136,108), which includes the True-Up Factor revenue requirements from both the 2022 SAVE year (October 1, 2021, through September 30, 2022) and the three months of the 2023 SAVE year (October 1, 2022 through December 30, 2022).¹² In total, the proposed 2024 SAVE Rider revenue requirement is \$229,997¹³ and the proposed 2024 SAVE Rider rate for a residential schedule customer is \$0.26 per month.¹⁴

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this matter should be docketed; Roanoke Gas should provide public notice of its Application; interested persons should have an opportunity to file comments on the Application, file a notice of participation as a respondent, or request that a hearing be convened; Staff should be directed to investigate the Application and present its findings and recommendations in a

⁹ *Id.* at 5.

¹⁰ Application at 5; Banka Direct at 10.

¹¹ Banka Direct at 8.

¹² *Id.* at 8-10.

¹³ Application at Schedule 1.

¹⁴ *Id.* at Schedule 17; Banka Direct at 11.

report ("Staff Report"); and a Hearing Examiner should be assigned to conduct all further proceedings in this matter and file a final report.

To promote administrative efficiency and timely service of filings upon participants, the Commission will, among other things, direct the electronic filing of testimony and pleadings unless they contain confidential information, and require electronic service on parties to this proceeding.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUR-2023-00056.

(2) All pleadings, briefs, or other documents required to be served in this matter shall be submitted electronically to the extent authorized by Rule 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice and Procedure ("Rules of Practice").¹⁵ Confidential and Extraordinarily Sensitive Information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. Any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.

(3) Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Rules of Practice, the Commission directs that service on parties and Staff in this matter shall be accomplished by electronic means. Concerning Confidential or Extraordinarily Sensitive Information, all parties and Staff are instructed to work together to agree upon the manner in which documents containing such information shall be served upon one another, to the extent practicable, in an electronically protected manner, even if such information is unable to be filed in the Office of the Clerk, so that no party or Staff is impeded from preparing its case.

¹⁵ 5 VAC 5-20-10 *et seq.*

(4) As provided by § 12.1-31 of the Code and Rule 5 VAC 5-20-120, *Procedure before Hearing Examiners*, of the Rules of Practice, a Hearing Examiner is appointed to conduct all further proceedings in this matter and to file a final report. A copy of each filing made with the Office of the Clerk in this matter shall also be sent electronically to the Office of the Hearing Examiners.¹⁶

(5) An electronic copy of the Company's Application may be obtained by submitting a written request to counsel for the Company: Timothy E. Biller, Esquire and James G. Ritter, Esquire, Hunton Andrews Kurth LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219, tbiller@hunton.com or ritterj@hunton.com. Interested persons also may download unofficial copies from the Commission's website: scc.virginia.gov/pages/Case-Information.

(6) On or before May 15, 2023, Roanoke Gas shall cause the following notice to be published as display advertising (not classified) on one (1) occasion in newspapers of general circulation throughout the Company's service territory within the Commonwealth of Virginia:

NOTICE TO THE PUBLIC OF AN APPLICATION BY
ROANOKE GAS COMPANY
FOR APPROVAL OF A SAVE PLAN AND TO
IMPLEMENT A PROJECTED FACTOR RATE
AND TRUE-UP FACTOR RATE
CASE NO. PUR-2023-00056

On March 31, 2023, pursuant to Code § 56-603 *et seq.*, the Steps to Advance Virginia's Energy ("SAVE") Plan Act, Roanoke Gas Company ("Roanoke Gas" or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") for approval of a SAVE Plan and to implement a Projected Factor Rate and a True-Up Factor Rate (together, "SAVE Rider Rate"). The Company requests approval of it proposed five-year SAVE Plan beginning October 1, 2023, through

¹⁶ Such electronic copies shall be sent to: OHEParalegals@scc.virginia.gov.

September 30, 2028 ("2024 SAVE Plan") and to implement a SAVE Rider Rate beginning on October 1, 2023, through September 30, 2024.

The Company states that over the course of the approved 2012 SAVE Plan, substantial progress was made on approved replacement projects. However, the Company states it has not completed all of the approved projects and is requesting to include the uncompleted projects in the 2024 SAVE Plan. These projects include the following, that were approved in connection with the 2012 SAVE Plan:

- (i) First generation plastic mains and services;
- (ii) Steel coated tubing services;
- (iii) Pre-1973 coated steel mains and services;
- (iv) Associated meter bar and regulator installations for renewed services; and
- (v) Eleven regulator stations.

Additionally, the Company is proposing to include the following additional programs that have not been previously approved by the Commission:

- (i) Unlocatable mains and services;
- (ii) Two additional gate stations;
- (iii) Electrically-shortened steel-cased crossings;
- (iv) Transmission main valves on the Company's Gala Transmission main; and
- (v) Advanced leak detection techniques.

The Company anticipates spending approximately \$49.5 million over the five years in the 2024 SAVE Plan. Additionally, the Company is requesting authority to vary its annual spending up to 10% each year and the flexibility to vary its cumulative spending over the course of the 2024 SAVE Plan by up to 5% from the amounts authorized in this proceeding. The Company notes that such variances are consistent with those approved by the Commission for other gas utility SAVE plans.

The Company states that the Projected Factor is designed to recover the costs of eligible infrastructure replacement projects that will occur during the period of October 1, 2023, through September 30, 2024. The 2024 Projected Factor revenue requirement is \$366,106, which the Company states is calculated using the same methodology approved in the 2012 SAVE Plan and subsequent amendments. The Company states that the True-up Factor is a reconciliation of the costs of the actual SAVE replacement projects and revenues collected during certain prior

periods. The proposed 2024 True-Up Factor revenue requirement is (\$136,108), which includes the True-Up Factor revenue requirements from both the 2022 SAVE year (October 1, 2021, through September 30, 2022) and the three months of the 2023 SAVE year (October 1, 2022, through December 30, 2022). In total, the proposed 2024 SAVE Rider revenue requirement is \$229,997 and the proposed 2024 SAVE Rider rate for a residential schedule customer is \$0.26 per month.

Further details are set forth in the Company's Application and supporting exhibits, and interested persons are encouraged to review these documents. TAKE NOTICE that the Commission may adopt rates that differ from those appearing in the Company's Application and supporting documents and may apportion revenues among customer classes and/or design rates in a manner differing from that shown in the Application and supporting documents.

The Commission entered an Order for Notice and Comment that, among other things, directed the Company to provide notice to the public and provided interested persons an opportunity to comment on the Company's Application.

To promote administrative efficiency and timely service of filings upon participants, the Commission has directed the electronic filing of testimony and pleadings, unless they contain confidential information, and required electronic service on parties to this proceeding. In accordance therewith, all pleadings, briefs, or other documents required to be served in this matter shall be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"). Confidential and Extraordinarily Sensitive Information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. Any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.

An electronic copy of the Company's Application may be obtained by submitting a written request to counsel for the Company: Timothy E. Biller, Esquire and James G. Ritter, Esquire, Hunton Andrews Kurth LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219, tbiller@hunton.com or ritterj@hunton.com.

On or before June 20, 2023, any interested person may submit comments on the Application by following the instructions found on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments. Those unable, as a practical matter, to submit comments electronically may file such comments with the Clerk of the State Corporation Commission c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All such comments shall refer to Case No. PUR-2023-00056.

On or before May 30, 2023, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation at scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file a notice of participation electronically may file such notice by U.S. mail to the Clerk of the Commission at the address listed above. Such notice of participation shall include the email addresses of such parties or their counsel. The respondent simultaneously shall serve a copy of the notice of participation on counsel to the Company. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2023-00056.

On or before May 30, 2023, any interested person or entity may file with the Clerk of the Commission at scc.virginia.gov/clk/efiling, a request that the Commission convene a hearing on the Company's Application. Those unable, as a practical matter, to file a request for hearing electronically may file such request for hearing by U.S. mail to the Clerk of the Commission at the address listed above. Such request for hearing shall include the email address of the filer or its counsel, if available. Requests for hearing must include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter. The interested person shall simultaneously serve a copy of the hearing request on counsel to the Company at the address set forth above. All requests for a hearing shall refer to Case No. PUR-2023-00056.

Any documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, except as modified by the Commission's Order for Notice and Comment, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

The Company's Application and other documents filed in this case, the Commission's Rules of Practice, and the Commission's Order for Notice and Comment may be viewed on the Commission's website at:
scc.virginia.gov/pages/Case-Information.

ROANOKE GAS COMPANY

(7) On or before May 15, 2023, the Company shall serve a copy of this Order for Notice and Comment on the following local officials, to the extent the position exists, in each county, city, and town in which the Company provides service in the Commonwealth of Virginia: the chairman of the board of supervisors of each county; the mayor or manager (or equivalent official) of every city and town; and the county, city, or town attorney. Service shall be made electronically where possible; if electronic service is not possible, service shall be made by either personal delivery or first-class mail to the customary place of business or residence of the person served.

(8) On or before May 22, 2023, the Company shall file proof of the notice and service required by Ordering Paragraphs (6) and (7), including the name, title, address, and electronic mail address (if applicable) of each official served, with the Clerk of the Commission, at scc.virginia.gov/clk/efiling.

(9) On or before June 20, 2023, any interested person may file comments on the Application by following the instructions found on the Commission's website:
scc.virginia.gov/casecomments/Submit-Public-Comments. Those unable, as a practical matter,

to file comments electronically may file such comments by U.S. mail to the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2023-00056.

(10) On or before May 30, 2023, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation at scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file a notice of participation electronically may file such notice by U.S. mail to the Clerk of the Commission at the address listed in Ordering Paragraph (9). Such notice of participation shall include the email addresses of such parties or their counsel. The respondent simultaneously shall serve a copy of the notice of participation on counsel to the Company. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2023-00056.

(11) Within five (5) business days of receipt of a notice of participation as a respondent, the Company shall serve a copy of the Application on the respondent, unless these materials already have been provided to the respondent.

(12) On or before May 30, 2023, any interested person or entity may file with the Clerk of the Commission at scc.virginia.gov/clk/efiling, a request that the Commission convene a hearing on the Company's Application. Those unable, as a practical matter, to file a request for hearing electronically may file such request for hearing by U.S. mail to the Clerk of the

Commission at the address in Ordering Paragraph (9). Such request for hearing shall include the email address of the filer or its counsel, if available. Requests for hearing must include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter. A copy of such hearing request shall simultaneously be served on counsel to the Company at the address set forth in Ordering Paragraph (5). All requests for a hearing shall refer to Case No. PUR-2023-00056.

(13) On or before June 6, 2023, Roanoke Gas shall file with the Clerk of the Commission its response to any request for hearing filed in this matter. The Company shall serve a copy of such response on Staff, any respondents, and the interested person or entity requesting a hearing.

(14) On or before July 7, 2023, Staff shall investigate the Application and file with the Clerk of the Commission a Staff Report containing its findings and recommendations. A copy thereof shall be served on counsel to the Company and all respondents.

(15) On or before July 21, 2023, Roanoke Gas shall file with the Clerk of the Commission and serve on the Staff and any respondents any response in rebuttal to the Staff Report and any comments filed by interested persons or entities in this proceeding. The Company shall serve a copy of its rebuttal testimony and exhibits on Staff and all respondents.

(16) Any documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, except as modified herein, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

(17) The Commission's Rule of Practice 5 VAC 5-20-260, *Interrogatories or requests for production of documents and things*, shall be modified for this proceeding as follows: responses and objections to written interrogatories and requests for production of documents shall be served within five (5) calendar days after receipt of the same. In addition to the service requirements of 5 VAC 5-20-260 of the Rules of Practice, on the day that copies are filed with the Clerk of the Commission, a copy of the interrogatory or request for production shall be served electronically on the party to whom the interrogatory or request for production is directed or the assigned Staff attorney, if the interrogatory or request for production is directed to Staff.¹⁷ Except as modified herein, discovery shall be in accordance with Part IV of the Commission's Rules of Practice, 5 VAC 5-20-240 *et seq.*

(18) This matter is continued.

A COPY hereof shall be sent electronically by the Clerk of the Commission to all persons on the official Service List in this matter. The Service List is available from the Clerk of the Commission.

¹⁷ The assigned Staff attorney is identified on the Commission's website, scc.virginia.gov/pages/Case-Information, by clicking "Docket Search," then clicking "Search by Case Information," and entering the case number, PUR-2023-00056 in the appropriate box.